

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

July 9, 2003

IN RE:

**PETITION OF ON-SITE SYSTEMS, INC. TO AMEND ITS
CERTIFICATE OF CONVENIENCE AND NECESSITY**

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**DOCKET NO.
03-00192**

**ORDER APPROVING PETITION OF ON-SITE SYSTEMS, INC.
TO AMEND ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

This matter came before Chairman Sara Kyle, Director Deborah Taylor Tate and Director Pat Miller of the Tennessee Regulatory Authority (the "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on June 16, 2003 to consider the Petition (the "Petition") of On-Site Systems, Inc. ("On-Site") to amend its Certificate of Public Convenience and Necessity ("CCN") to expand its service area to include an area known as Black Bear Ridge Resort in Sevier County, Tennessee.

Legal Standard for Granting CCN

No public utility is permitted to begin construction or operation of a new utility facility or service before obtaining the approval of the TRA. The procedure for obtaining such approval is outlined in Tenn. Code Ann. § 65-4-201(a), which reads in pertinent part as follows:

No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility,

or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate . . .

Background

On April 6, 1994, On-Site received a CCN in Docket No. 93-09040 from the Tennessee Public Service Commission to provide wastewater service to the Oakwood Subdivision in Maury County. Since that time, through various other dockets, On-Site has been granted approval to expand its service territory to include other areas in Tennessee.

Petition to Amend CCN

On March 10, 2003, On-Site filed its Petition to amend its CCN to expand its service area to include Black Bear Ridge Resort. A map showing the area to which On-Site proposes to extend service is attached to its Petition. On-Site filed a rate schedule with its Petition in this docket which states that residential rates for Black Bear Ridge Resort will be as follows:

Total monthly charge	\$35.11
Non-payment fee	5% of monthly charge
Disconnection fee	\$10
Reconnection fee	\$15
Returned check fee	\$20
Access fee	\$84/year

This rate schedule comports with the rate schedule for On-Site approved by the TRA in Docket No. 99-00393.

In its Petition, On-Site contends that neither the City of Pigeon Forge nor Sevier County have the desire to provide wastewater service to Black Bear Ridge Resort. In support of this contention, On-Site submitted a letter dated February 21, 2003 from Earlene M. Teaster, City Manager, stating that the City of Pigeon Forge does not plan to provide public sewer service to the Black Bear Ridge Resort within the next twelve months. On-Site also submitted a February

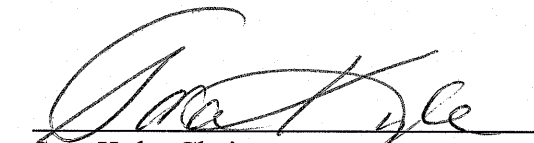
24, 2003 letter from Larry Waters, County Executive, stating that the Sevier County does not plan to provide sewer service to this area within the next twelve months.

June 16, 2003 Authority Conference

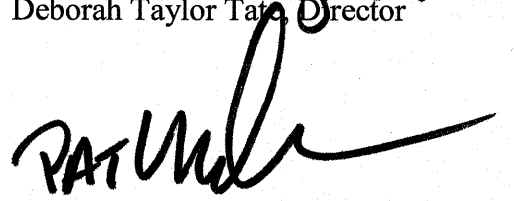
The voting panel assigned to this docket considered On-Site's Petition at the regularly scheduled Authority Conference held on June 16, 2003 and voted unanimously to approve the Petition.

IT IS THEREFORE ORDERED THAT:

1. The Petition of On-Site Systems, Inc. to amend its Certificate of Public Convenience and Necessity to expand its service area to include an area known as Black Bear Ridge Resort, as shown in the map attached to the Petition, is approved.
2. On-Site's rates for wastewater service to Black Bear Ridge Resort shall be as listed in the rate schedule filed with On-Site's Petition and as set forth in this Order.


Sara Kyle, Chairman


Deborah Taylor Tate, Director


Pat Miller, Director